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Dairy Farm Business Summary

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NOVA SCOTIA DAIRY FARM

BUSINESS SUMMARY REPORT

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PREFACE

The 1990 Nova Scotia Dairy Farm Business Summary is a synopsis of the business performance of one hundred and twenty-six (126) Nova Scotia Dairy Farms. The majority of these farms participated in the Canfarm Records Program in 1990.

The farms used in this summary were not selected on a random sample basis. Instead, farmers volunteered to have their data included in the summary. Hence, care should be exercised in the use and interpretation of the results shown in the various tables of this publication.

Despite this limitation, this publication can be used by farmers to compare their individual results with group average figures for farms with similar characteristics. Such comparison can provide the farm manager with useful information that can be used in management decisions. However, the best information is the farmer's own records, and comparison of these from year to year.

The co-operation of the one hundred and twenty-six (126) dairy producers who participated in this summary is gratefully acknowledged. Without their co-operation and data, no summary would be possible.

We would also like to acknowledge several individuals who contributed significantly to this publication: Peter Dekker, Jim Houghton, and Pam Fraser, who assisted with data collection; and Tracey Mitchell who performed the secretarial duties.

Every effort has been made to ensure the accuracy of this report; however, the authors accept full responsibility for any errors or omissions which may inadvertently appear in the final version.

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SECTION A

INTRODUCTION

INTRODUCTION

The Nova Scotia Dairy Farm Business Summary is designed to provide bench-mark information that can be used to compare the financial strengths and weaknesses of individual dairy farms with similar characteristics. Farm business analysis is an important function of the farm manager-operator. When analysing the farm business, you must ask meaningful questions regarding the costs, incomes, efficiencies and capital investment found in your business. This summary is designed to assist you with those questions and to provide you with basic information for comparison purposes. By identifying the strengths of your business and building on these, you should be able to enhance the profit picture of your farm business. By identifying the weaknesses of your business and taking corrective action, the profit picture should also be improved.

Standards of performance and business progress are matters of personal choice and family goal setting. Each farm situation will have a different set of goals or objectives - a different set of values that you feel must be met through the farm business. It is for each of you to identify these and then compare your performance in achieving these objectives.

There are several ways that you can compare your farm performance. These include:

- You can compare your performance this year to that of last year. This perhaps is the best comparison. Have you progressed in reaching the goals you have set for your farm business.

- You can compare your performance with group average data for farms of similiar size and general characteristics. This report may be useful in this regard.

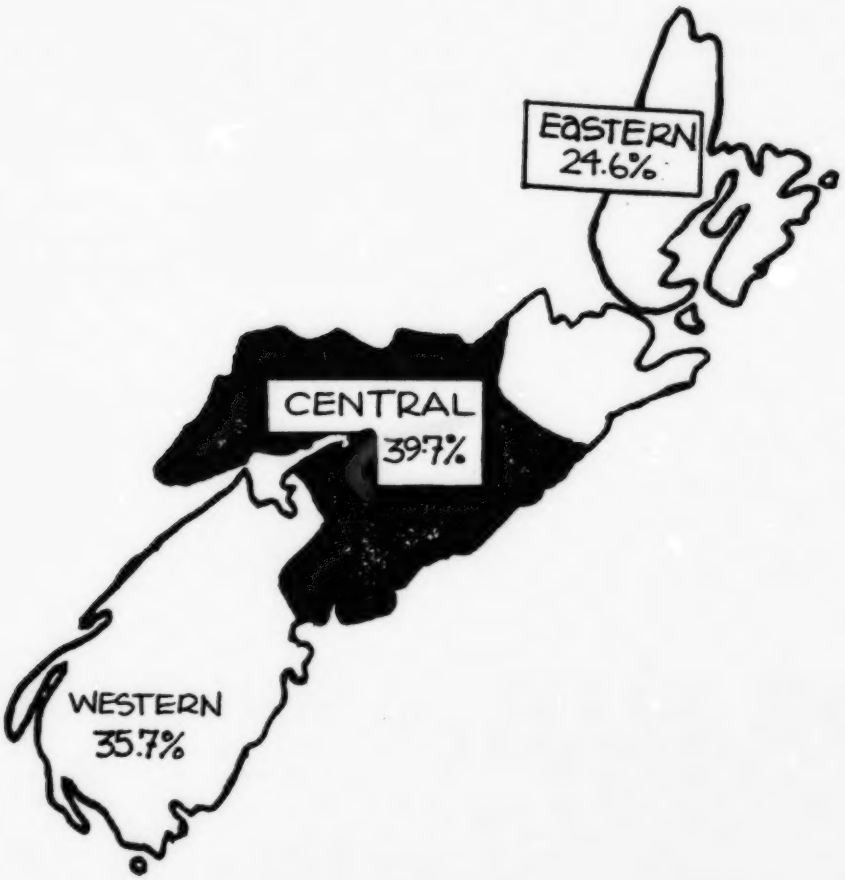
- You can compare your performance to that found by research - realizing that the research data was obtained under a special set of conditions.

In 1990, there were a total of 540 fluid milk producers in Nova Scotia. Basic data for this summary was prepared from 126 of these farms located throughout Nova Scotia. These 126 farms represent 23.3 percent of the total number of fluid milk farms in the province.

In terms of production, these farms included in the summary produced 50,887,872 litres of milk for sale. The total milk produced by fluid milk farmers in the province was 173,620,605 litres. Hence, in terms of production, farms included in this summary produced 29.3 percent of the milk produced by fluid milk farms in Nova Scotia.

Figure A-1 provides information on the distribution of these one hundred and twenty-six (126) farms relative to their location in the province. A description of the counties contained in each region can be found following figure A-1.

FIGURE A-1: DISTRIBUTION OF 126 DAIRY FARMS BY REGION WITHIN NOVA SCOTIA



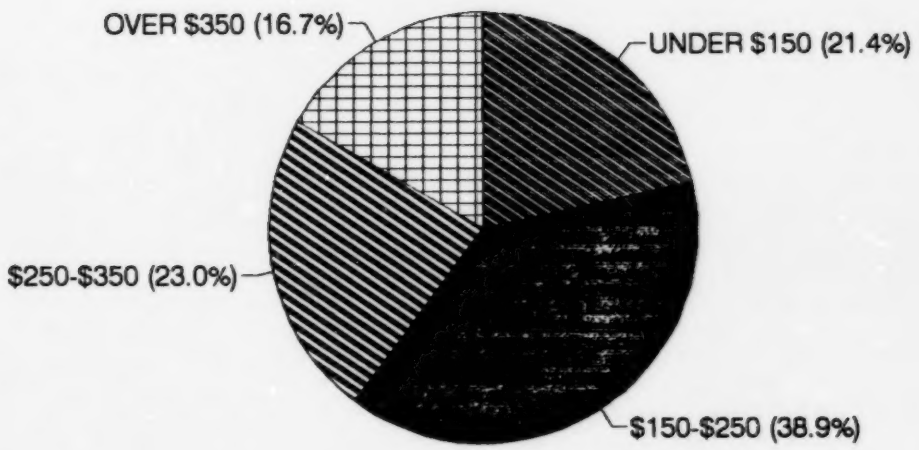
Central Region: Represents dairy farms from Colchester, Cumberland, East Hants, Halifax and Pictou Counties.

Eastern Region: Represents dairy farms from Antigonish, Cape Breton, Inverness and Victoria Counties.

Western Region: Represents dairy farms from Annapolis, Kings, Lunenburg, West Hants and Yarmouth Counties.

Figure A-2 provides information on the distribution of these one hundred and twenty-six (126) dairy farms relative to the size of the business measured in terms of Gross Farm Income.

FIGURE A-2: DISTRIBUTION OF 126 DAIRY FARMS BY GROSS FARM INCOME ('000 DOLLARS)



Section B.1 provides a summary of the results, calculated for the one hundred and twenty-six (126) dairy farms in the summary for 1990. The basic format for the presentation of the information in this section is as follows:

1. Receipts
2. Expenses
3. Income Summary
4. Net Cost of Production
5. Production Analysis
6. Balance Sheet
7. Balance Sheet Analysis
8. Labour Analysis
9. Analysis of Expenses
10. Receipts and Expenses Summary

Sections B.2 through B.4 provide additional information on the one hundred and twenty-six (126) dairy farms by reclassifying these farms on the basis of Net Farm Income, Production and Investment Levels per cow.

Appendix A summarizes the results of the herd size analysis. The one hundred and twenty-six (126) dairy farms in the study were classified into four (4) groups according to herd size. These groups were (1) 20-39 cows; (2) 40-59 cows; (3) 60-99 cows; and (4) 100 plus cows.

The Appendix B contains comparison figures for the total group based on a per farm, per cow, per hectolitre, per hundredweight and percentage analysis basis. In addition, a Glossary of Terms used in the summary is provided in Appendix C.

Throughout the analysis, several assumptions were made and used that should be noted. These include:

(a) Tax depreciation was used in place of management depreciation. This may result in a slightly "higher than normal" depreciation figure in this summary.

(b) Operator labour value must be considered minimal. The value chosen was the 1989 figure plus 5 percent in all size groups.

(c) Investment figures used were farmers book values. These may or may not represent cost. They may or may not represent market value. Rather, some mixture of the two concepts may be more representative in many instances.

(d) Interest on equity was calculated using a 10 percent interest rate.

Given the above explanatory notes, the basic data was then prepared. Throughout the summary, per farm and per cow figures are presented.

SECTION B.1

BUSINESS SUMMARY - ALL FARMS

RECEIPTS

Farms in this size range had receipts from milk and milk subsidy of $226,354. or $3,598. on a per cow basis. This amount accounted for 86.1 percent of Total Farm Receipts. Of this amount, fluid milk represented 70.1 percent, manufactured milk 26.3 percent and milk subsidy 3.6 percent.

Livestock sales averaged 7.4 percent of Total Farm Receipts, while miscellaneous sales were 5.7 percent and crop sales were 0.8 percent.

Total Farm Receipts averaged $262,765. per farm or $4,177. on a per cow basis.

TABLE B.1.1: RECEIPTS

ITEM	PER FARM	PER COW
Fluid Milk Sales	$ 158,597.	$ 2,521.
Manufactured Milk Sales	59,554.	947.
Milk Subsidy	8,203.	130.
Livestock Sales	19,358.	308.
Crop Sales	2,043.	32.
Miscellaneous Sales	15,010.	239.
TOTAL FARM RECEIPTS	$ 262,765.	$ 4,177.

EXPENSES

Total Cash Expenses for farms in this group averaged $194,823. per farm or $3,097. per cow. Purchased dairy feed was the largest expense item and accounted for 26.2 percent of this total.

Other major expenses were; interest at 12.5 percent, hired labour at 11.1 percent, tractor and machinery expense at 7.2 percent, crop expenses at 6.7 percent, and milk marketing at 4.7 percent.

TABLE B.1.2: EXPENSES

ITEM	PER FARM	PER COW
Milk Hauling	$ 8,290.	$ 132.
Dairy Feed	51,133.	813.
Livestock Purchases	4,065.	65.
Vet & Drugs	3,488.	55.
Breeding	3,387.	54.
Dairy Supplies	7,171.	114.
Milk Marketing	9,098.	145.
Crop Expense	13,060.	208.
Building & Fence Repair	5,481.	87.
Utilities	5,791.	92.
Tractor & Machinery Expense	13,963.	222.
Truck & Auto	3,816.	61.
Interest	24,381.	388.
Hired Labour	21,578.	343.
Taxes & Insurance	5,552.	88.
Custom Work	6,429.	102.
Rentals & Leases	2,411.	38.
Miscellaneous	5,728.	91.
TOTAL CASH EXPENSES	$ 194,823.	$ 3,097.

INCOME SUMMARY

When analyzing a farm business, a number of different measures of income are often used to assess the financial strength of the business. Three (3) of these measures are:

NET CASH INCOME is the difference between Total Farm Receipts and Total Cash Expenses. For this group of farms, Net Cash Income was $67,942. per farm or $1,080. per cow.

NET FARM INCOME adjusts Net Cash Income for Inventory Change and Depreciation. Net Farm Income represents the return to the operator for his labour, management and capital. For this group, Net Farm Income was $40,339. per farm or $641. on a per cow basis.

LABOUR AND MANAGEMENT INCOME represents the amount of income left for the operator for his labour and management skills. For this group, Labour and Management Income was $17,148. per farm or $273. per cow.

TABLE B.1.3: INCOME SUMMARY

ITEM	PER FARM	PER COW
Total Farm Receipts	$ 262,765.	$ 4,177.
Total Cash Expenses	194,823.	3,097.
NET CASH INCOME	$ 67,942.	$ 1,080.
Plus: Inventory Change	$ 729.	$ 12.
Less: Depreciation	28,333.	450.
NET FARM INCOME	$ 40,339.	$ 641.
Less: Unpaid Family Labour	$ 2,456.	$ 39.
Interest on Equity @10%	20,735.	330.
LABOUR AND MANAGEMENT INCOME	$ 17,148.	$ 273.

NET COST OF PRODUCTION

The Net Cost of Producing Milk for this group of farms was $229,016. per farm or $3,640. per cow. On a per hectolitre of milk sold basis, this cost was $56.71 The return from the sale of milk averaged $56.05 leaving a net return over costs of $(0.66) per hectolitre.

Note that all costs, including a value for Operator Labour have been included in this calculation. If Operator Labour was excluded, the Net Cost would have been $51.80, leaving a Net Return of $4.25. This then would be the return to Operator Labour.

TABLE B.1.4: NET COST OF PRODUCTION

ITEM		PER FARM	PER COW
Total Cash Expenses		$ 194,823.	$ 3,097.
Plus: Depreciation		28,333.	450.
Inventory Change		(729.)	(12.)
Interest on Equity @ 10%		20,735.	330.
Unpaid Family Labour		2,456.	39.
Operator Labour		19,809.	315.
Less: Sales (Excl. Milk)		36,411.	579.
NET COST OF PRODUCING MILK		$ 229,016.	$ 3,640.
Number of Cows	(#)	63	1
Total Litres of Milk Sold	(L)	403,872	6,420
Price Received per HL	($)	56.05	56.05
Cost of Producing Milk/HL	($)	56.71	56.71
NET RETURN PER HL	($)	(0.66)	(0.66)

PRODUCTION ANALYSIS

Total milk sales averaged 403,872 litres per farm. For farms in this group, 63 cows per farm was the average with milk sold per cow standing at 6,420 litres.

Fluid milk represented 64.8 percent of the volume of milk sold, while in dollar terms, fluid milk accounted for 70.1 percent of milk sales. Average blend price for all milk was $56.05 per hectolitre.

Purchased feed averaged $813. per cow or $12.66 per hectolitre of milk sold. These dollars represented 3,016 kilograms of feed per cow consumed.

TABLE B.1.5: PRODUCTION ANALYSIS

ITEM		PER FARM	PER COW
Number of Cows	(#)	63	1
Total Litres of Milk Sold	(L)	403,872	6,420
Value of Milk Sold	($)	226,354	3,598
Price Received per HL Milk	($)	56.05	56.05
Fluid Milk (L's as % of Total Milk)	(%)	64.8	64.8
Fluid Milk ($'s as % of Total Milk)	($)	70.1	70.1
Cost of Dairy Feed	($)	51,133	813
Feed Cost per HL Milk Sold	($)	12.66	12.66
Feed Cost as % of Total Cost	(%)	22.9	22.9
Feed Cost as % of Milk Sales	(%)	22.6	22.6
Kilograms of Feed/HL Milk	(Kgs)	46.98	46.98
Kilograms of Feed	(Kgs)	186,986	3,016
Pounds of Feed	(Lbs)	411,368	6,635

BALANCE SHEET

The Balance Sheet represents a picture of the financial position of a business at a particular point in time. The Balance Sheet is composed of three (3) main parts, namely:

ASSETS are items of value owned by the business.

LIABILITIES are debts owed by the business to others.

EQUITY OR NET WORTH is the difference between assets and liabilities and represents the owner's capital investment in the business.

For this group of farms, assets amounted to $458,752. per farm or $7,292. per cow. Liabilities averaged $251,402. per farm and $3,996. on a per cow basis. Equity or Net Worth - the difference between assets and liabilities was $207,350. per farm or $3,296. per cow.

TABLE B.1.6: BALANCE SHEET

ITEM	PER FARM	PER COW
ASSETS:		
Inventory Value - Land	$ 64,763.	$ 1,029.
" " - Buildings	74,755.	1,188.
" " - Machinery	83,807.	1,332.
" " - Livestock	92,779.	1,475.
" " - Crops & Supp	23,076.	367.
" " - Milk Quota	79,643.	1,266.
" " - Acct's Rec'able	3,754.	60.
" " - Co-op Dairy Inv.	36,175.	575.
TOTAL INVENTORY VALUE - ASSETS	$ 458,752.	$ 7,292.
LIABILITIES:		
Short Term	$ 22,964.	$ 365.
Intermediate Term	53,052.	843.
Long Term	175,386.	2,788.
TOTAL LIABILITIES	$ 251,402.	$ 3,996.
EQUITY OR NET WORTH	$ 207,350.	$ 3,296.

BALANCE SHEET ANALYSIS

For farms in this size group, equity in the farm business averaged 45.20 percent. Farms received a return to equity capital of 8.72 percent and a return to capital of 9.25 percent.

Capital Turnover averaged 1.74 years.

Total Assets to Total Liabilities ratio was 1.82 - for every dollar of debt there were 1.82 of assets.

Net Income as a percent of Gross Farm Income averaged 15.31 percent for this group of farms.

TABLE B.1.7: BALANCE SHEET ANALYSIS

ITEM		PER FARM
Equity in Farm Business	(%)	45.20
Return on Equity	(%)	8.72
Return on Invested Capital	(%)	9.25
Capital Turnover	(Yrs)	1.74
Current Assets/Current Liabilities	($)	6.78
Total Assets/Total Liabilities	($)	1.82
Total Liabilities/Equity	($)	1.21
Net Income/Gross Income	(%)	15.31

LABOUR ANALYSIS

The labour complement on farms in this size range averaged 2.65 man equivalents; composed of 1.47 operator and unpaid family labour and 1.17 hired man equivalents.

For each man equivalent, 24 cows were maintained with 152,690 litres of milk sold at a value of $85,576.

Labour Income per man equivalent averaged $13,292.

TABLE B.1.8: LABOUR ANALYSIS

ITEM		PER FARM
Number of Cows	(#)	63
Operator & Family Man Equivalents	(#)	1.47
Hired Man Equivalents	(#)	1.17
Total Man Equivalents	(#)	2.65
Cows per Man Equivalent	(#)	24
Milk Sold per Man Equilivent	(L)	152,690
Milk Sold per Man Equivalent	($)	85,576
Labour Income Per Man Equivalent Operator & Unpaid Family	($)	13,292

ANALYSIS OF EXPENSES

Purchased Dairy Feed was the largest expense item and accounted for 22.9 percent of Total Expenses. Other major expenses were; depreciation at 12.7 percent, interest at 10.9 percent, hired labour at 9.7 percent, tractor and machinery at 6.3 percent, crop expenses at 5.9 percent, and milk marketing at 4.1 percent of Total Expenses.

TABLE B.1.9: ANALYSIS OF EXPENSES

ITEM	PER COW	PERCENTAGE
Milk Hauling	$ 132.	3.7%
Dairy Feed	813.	22.9
Livestock Purchased	65.	1.8
Vet & Drugs	55.	1.6
Breeding	54.	1.5
Dairy Supplies	114.	3.2
Milk Marketing	145.	4.1
Crop Expenses	208.	5.9
Building & Fence Repairs	87.	2.5
Utilities	92.	2.6
Tractor & Machinery Expenses	222.	6.3
Truck & Auto Expenses	61.	1.7
Interest	388.	10.9
Hired Labour	343.	9.7
Taxes & Insurance	88.	2.5
Custom Work	102.	2.9
Rentals & Leases	38.	1.1
Miscellaneous	91.	2.6
Depreciation	450.	12.7
TOTAL EXPENSES	$ 3,547.	100.0%

RECEIPTS AND EXPENSES SUMMARY

Information supplied in this section summarizes receipts and expenses for this group of farms on a per cow, per hectolitre and a per hundredweight milk sold basis.

TABLE B.1.10: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER COW	PER 100 LITRES	PER CWT.
RECEIPTS:			
Fluid Milk	$ 2,521.	$ 39.27	$ 17.30
Manufactured Milk	947.	14.75	6.50
Milk Subsidies	130.	2.03	.89
Livestock Sales	308.	4.79	2.11
Crop Sales	32.	.51	.22
Miscellaneous Sales	239.	3.72	1.64
TOTAL CASH RECEIPTS	$ 4,177.	$ 65.06	$ 28.66
Adj. for Inventory Change	$ 12.	$ .18	$ .08
TOTAL FARM RECEIPTS	$ 4,188.	$ 65.24	$ 28.74
EXPENSES:			
Milk Hauling	$ 132.	$ 2.05	$ .90
Dairy Feed	813.	12.66	5.58
Livestock Purchases	65.	1.01	.44
Vet & Drugs	55.	.86	.38
Breeding	54.	.84	.37
Dairy Supplies	114.	1.78	.78
Milk Marketing	145.	2.25	.99
Crop Expenses	208.	3.23	1.42
Building & Fence Repair	87.	1.36	.60
Utilities	92.	1.43	.63
Tractor & Machinery Repair	222.	3.46	1.52
Truck & Auto Expense	61.	.94	.42
Interest	388.	6.04	2.66
Hired Labour	343.	5.34	2.35
Taxes & Insurance	88.	1.37	.61
Custom Work	102.	1.59	.70
Rentals & Leases	38.	.60	.26
Miscellaneous	91.	1.42	.62
TOTAL CASH EXPENSES	$ 3,097.	$ 48.24	$ 21.25
Building Depreciation	$ 108.	$ 1.69	$ .74
Machinery Depreciation	342.	5.33	2.35
TOTAL DEPRECIATION	$ 450.	$ 7.02	$ 3.09
TOTAL FARM EXPENSES	$ 3,547.	$ 55.25	$ 24.34
NET FARM INCOME	$ 641.	$ 9.99	$ 4.40

SECTION B.2

NET FARM INCOME ANALYSIS

One of the key factors studied when analyzing a farm business is Net Farm Income. This factor is important as it provides the return to the operator for his labour and management skills along with a return to equity capital in the business. A study of the various groupings below can provide some indication of why there are such wide variations in the Net Farm Incomes of the farms in this summary.

The one hundred and twenty-six (126) farms in the summary were reorganized into three groupings based on Net Farm Income per Cow. These groups were - (1) the high 25 percent Net Farm Income per Cow Farms, (2) the middle 50 percent Net Farm Income per Cow Farms and (3) the low 25 percent Net Farm Income per Cow Farms.

Similiar assumptions regarding Interest on Equity, Operator and Family Labour were made for this section as were made throughout the summary.

Table B.2.1 provides data on a per farm basis, while Table B.2.2 provides the data on a per cow basis.

A review of the tables shows that the High Net Farm Income per Cow group received a return to all factors of production at the assumed levels. The Medium Net Farm Income per Cow group and the Low Net Farm Income per Cow group did not receive a return sufficient to meet all costs.

The High Net Farm Income Group had Net Income per cow of $1174., while the middle and low groups averaged $604. and $8. respectively.

Return on Equity averaged 16.3 percent for the high group, while the middle and low groups averaged 13.8 and 4.0 respectively.

Net Income as a percent of Gross Income averaged 25.3 percent for the High Group, 14.6 for the Middle Group, and 0.2 for the Low Group.

TABLE B.2.1

HIGH, MEDIUM AND LOW NET FARM INCOME PER COW FARMS

PER FARM ANALYSIS

ITEM	HIGH N.F.I./COW	MEDIUM N.F.I./COW	LOW N.F.I./COW
RECEIPTS:			
Fluid Milk	$187,793.	$160,398.	$124,800.
Industrial Milk	75,645.	58,020.	46,062.
Milk Subsidies	10,613.	7,988.	6,152.
Livestock Sales	26,335.	18,594.	13,711.
Crop Sales	1,335.	2,715.	1,408.
Miscellaneous Sales	21,161.	15,216.	8,240.
TOTAL CASH RECEIPTS	$322,882.	$262,931.	$200,373.
Adj. for Inventory Change	$ 3,281.	$ 1,334.	$(3,135.)
TOTAL FARM RECEIPTS	$326,163.	$264,265.	$197,238.
EXPENSES:			
Milk Hauling	$ 9,988.	$ 8,254.	$ 6,611.
Dairy Feed	61,356.	49,416.	44,071.
Livestock Purchases	4,612.	4,049.	3,532.
Vet and Drugs	3,472.	3,727.	3,019.
Breeding	4,092.	3,360.	2,712.
Dairy Supplies	6,744.	7,956.	6,019.
Milk Marketing	10,913.	8,820.	7,789.
Crop Expenses	14,945.	13,129.	10,975.
Building and Fence Repair	4,925.	5,663.	5,686.
Utilities	6,185.	5,674.	5,623.
Tractor and Machinery Repair	15,452.	13,758.	12,843.
Truck and Auto Expense	3,817.	4,007.	3,427.
Interest	19,789.	25,506.	26,833.
Hired Labour	23,790.	23,063.	16,277.
Taxes and Insurance	5,624.	5,588.	5,405.
Custom Work	5,749.	7,173.	5,616.
Rentals and Leases	2,693.	2,645.	1,644.
Miscellaneous	7,544.	5,979.	3,341.
TOTAL CASH EXPENSES	$211,689.	$197,769.	$171,425.

TABLE B.2.1 (CONT'D)

HIGH, MEDIUM AND LOW NET FARM INCOME PER COW FARMS

PER FARM ANALYSIS

ITEM		HIGH N.F.I./COW	MEDIUM N.F.I./COW	LOW N.F.I./COW
Building Depreciation		$ 8,619.	$ 6,651.	$ 5,275.
Machinery Depreciation		23,462.	21,228.	20,109.
TOTAL DEPRECIATION		$ 32,082.	$ 27,879.	$ 25,384.
TOTAL FARM EXPENSES		$243,771.	$225,648.	$196,809.
NET FARM INCOME		$ 82,392.	$ 38,617.	$ 429.
Total Farm Expense		$243,771.	$225,648.	$196,809.
Plus: Interest on Equity		32,720.	20,003.	9,852.
Unpaid Family Labour		2,590.	2,436.	2,357.
Operator Labour		22,494.	20,166.	16,462.
Less: Sales (Excl. Milk)		48,830.	36,525.	23,359.
NET COST OF PRODUCING MILK		$252,744.	$231,727.	$202,121.
Number of Farms	(#)	32	63	31
Number of Cows/Farm	(#)	70	64	53
Litres of Milk/Farm	(L)	486,809	404,780	316,417
Price of Milk/HL	($)	56.30	55.93	55.94
Cost of Producing Milk/HL	($)	51.92	57.25	63.88
NET RETURN/HL	($)	4.38	(1.31)	(7.93)
Investment/Farm	($)	540,081	466,345	359,368
Liabilities/Farm	($)	212,883	266,318	260,850
Feed Cost/HL Milk Sold	($)	12.60	12.21	13.93
Equity in Business	(%)	60.6	42.9	27.4
Return on Equity	(%)	16.3	13.8	4.0
Return on Invested Capital	(%)	16.3	10.1	3.3
Net Income / Gross Income	(%)	25.3	14.6	0.2

TABLE B.2.2

HIGH, MEDIUM AND LOW NET FARM INCOME PER COW FARMS

PER COW ANALYSIS

ITEM	HIGH N.F.I./COW	MEDIUM N.F.I./COW	LOW N.F.I./COW
RECEIPTS:			
Fluid Milk	$2,676.	$2,509.	$2,340.
Industrial Milk	1,078.	907.	864.
Milk Subsidies	151.	125.	115.
Livestock Sales	375.	291.	257.
Crop Sales	19.	42.	26.
Miscellaneous Sales	301.	238.	155.
TOTAL CASH RECEIPTS	$4,600.	$4,112.	$3,758.
Adj. for Inventory Change	$ 47.	$ 21.	$ (59.)
TOTAL FARM RECEIPTS	$4,647.	$4,133.	$3,699.
EXPENSES:			
Milk Hauling	$ 142.	$ 129.	$ 124.
Dairy Feed	874.	773.	826.
Livestock Purchases	66.	63.	66.
Vet and Drugs	49.	58.	57.
Breeding	58.	53.	51.
Dairy Supplies	96.	124.	113.
Milk Marketing	155.	138.	146.
Crop Expenses	213.	205.	206.
Building and Fence Repair	70.	89.	107.
Utilities	88.	89.	105.
Tractor and Machinery Repair	220.	215.	241.
Truck and Auto Expense	54.	63.	64.
Interest	282.	399.	503.
Hired Labour	339.	361.	305.
Taxes and Insurance	80.	87.	101.
Custom Work	82.	112.	105.
Rentals and Leases	38.	41.	31.
Miscellaneous	107.	94.	63.
TOTAL CASH EXPENSES	$3,016.	$3,093.	$3,215.

TABLE B.2.2 (CONT'D)

HIGH, MEDIUM AND LOW NET FARM INCOME PER COW FARMS

PER COW ANALYSIS

ITEM		HIGH N.F.I./COW	MEDIUM N.F.I./COW	LOW N.F.I./COW
Building Depreciation		$ 123.	$ 104.	$ 99.
Machinery Depreciation		334.	332.	377.
TOTAL DEPRECIATION		$ 457.	$ 436.	$ 476.
TOTAL FARM EXPENSES		$3,473.	$3,529.	$3,691.
NET FARM INCOME		$1,174.	$ 604.	$ 8.
Total Farm Expense		$3,473.	$3,529.	$3,691.
Plus: Interest on Equity		466.	313.	185.
Unpaid Family Labour		37.	38.	44.
Operator Labour		320.	315.	309.
Less: Sales (Excl. Milk)		696.	571.	438.
NET COST OF PRODUCING MILK		$3,601.	$3,624.	$3,791.
Number of Farms	(#)	32	63	31
Number of Cows/Farm	(#)	70	64	53
Litres of Milk/Cow	(L)	6,936	6,331	5,934
Price of Milk/HL	($)	56.30	55.93	55.94
Cost of Producing Milk/HL	($)	51.92	57.25	63.88
NET RETURN/HL	($)	4.38	(1.31)	(7.93)
Investment/Cow	($)	7,695	6,644	5,120
Liabilities/Cow	($)	3,033	3,794	3,716
Feed Cost/HL Milk Sold	($)	12.60	12.21	13.93
Equity in Business	(%)	60.6	42.9	27.4
Return on Equity	(%)	16.3	13.8	4.0
Return on Invested Capital	(%)	16.3	10.1	3.3
Net Income / Gross Income	(%)	25.3	14.6	0.2

SECTION B.3

PRODUCTION ANALYSIS

In the management of a business, output per unit of input is one of the key elements to the success of that business. In the dairy business, production per farm or more particularly, production per cow is one of the key factors determining the profitability of the farm business.

In this section of the summary, farms were reclassified according to production levels on a per cow basis. Three (3) levels were chosen as follows: (1) high 25 percent production per cow farms; (2) middle 50 percent production per cow farms, and (3) low 25 percent production per cow farms.

Assumptions regarding Operator and Family Labour and Interest on Equity were the same as used elsewhere in this summary.

Tables B.3.1 and B.3.2 present information on a per farm and per cow basis.

In analyzing the information found in the tables, it is noted that the high production per cow group achieved a return to all factors of production but the low and medium production per cow groups did not. The high production group showed a $0.92 net return per hectolitre, the medium production group a $(0.69) net return per hectolitre, and the low group a $(3.82) net return per hectolitre.

The high production group had production of 7,657 litres per cow, while the low production group averaged 5,205 litres per cow.

TABLE B.3.1

HIGH, MEDIUM AND LOW FARM PRODUCTION PER COW FARMS

PER FARM ANALYSIS

ITEM	HIGH PROD./COW	MEDIUM PROD./COW	LOW PROD./COW
RECEIPTS:			
Fluid Milk	$174,282.	$167,508.	$124,299.
Industrial Milk	63,518.	64,500.	45,411.
Milk Subsidies	8,737.	8,890.	6,256.
Livestock Sales	21,817.	21,045.	13,392.
Crop Sales	3,420.	1,759.	1,199.
Miscellaneous Sales	20,431.	14,926.	9,585.
TOTAL CASH RECEIPTS	$292,203.	$278,627.	$200,142.
Adj. for Inventory Change	$ 1,427	$ (296.)	$ 2,092.
TOTAL FARM RECEIPTS	$293,630.	$278,331.	$202,234.
EXPENSES:			
Milk Hauling	$ 9,169.	$ 8,757.	$ 6,435.
Dairy Feed	47,948.	57,657.	41,162.
Livestock Purchases	3,056.	5,587.	2,014.
Vet and Drugs	3,885.	3,685.	2,680.
Breeding	3,947.	3,691.	2,190.
Dairy Supplies	7,890.	7,430.	5,903.
Milk Marketing	9,003.	9,933.	7,500.
Crop Expenses	17,100.	12,573.	9,881.
Building and Fence Repair	6,185.	5,595.	4,522.
Utilities	6,372.	5,891.	4,990.
Tractor and Machinery Repair	15,078.	14,227.	12,277.
Truck and Auto Expense	3,426.	3,972.	3,903.
Interest	29,580.	24,448.	18,876.
Hired Labour	24,441.	21,417.	18,948.
Taxes and Insurance	5,779.	5,726.	4,963.
Custom Work	8,671.	6,483.	4,003.
Rentals and Leases	2,327.	2,570.	2,716.
Miscellaneous	6,862.	6,046.	3,910.
TOTAL CASH EXPENSES	$210,719.	$205,688.	$156,333.

TABLE B.3.1 (CONT'D)

HIGH, MEDIUM AND LOW FARM PRODUCTION PER COW FARMS

PER FARM ANALYSIS

ITEM		HIGH PROD./COW	MEDIUM PROD./COW	LOW PROD./COW
Building Depreciation		$ 7,559.	$ 7,529.	$ 4,586.
Machinery Depreciation		24,578.	22,625.	16,118.
TOTAL DEPRECIATION		$ 32,137.	$ 30,154.	$ 20,703.
TOTAL FARM EXPENSES		$242,856.	$235,842.	$177,036.
NET FARM INCOME		$ 50,774.	$ 42,488.	$ 25,198.
Total Farm Expense		$242,856.	$235,842.	$177,036.
Plus: Interest on Equity		25,417.	21,808.	13,720.
Unpaid Family Labour		1,717.	2,200.	3,749.
Operator Labour		18,170.	21,734.	17,617.
Less: Sales (Excl. Milk)		45,667.	37,730.	24,176.
NET COST OF PRODUCING MILK		$242,493.	$243,855.	$187,946.
Number of Farms	(#)	32	63	31
Number of Cows/Farm	(#)	57	67	60
Litres of Milk/Farm	(L)	439,824	429,851	313,966
Price of Milk/HL	($)	56.05	56.04	56.05
Cost of Producing Milk/HL	($)	55.13	56.73	59.86
NET RETURN/HL	($)	0.92	(0.69)	(3.82)
Feed Cost/HL Milk Sold	($)	10.90	13.41	13.11
Feed Cost as % of Total Sales	(%)	19.7	24.4	23.3
Feed Cost as % of Milk Sales	(%)	19.4	23.9	23.4
Kilograms of Feed/HL Milk Sold	(kgs)	36.9	51.6	48.8

TABLE B.3.2

HIGH, MEDIUM AND LOW FARM PRODUCTION PER COW FARMS

PER COW ANALYSIS

ITEM	HIGH PROD./COW	MEDIUM PROD./COW	LOW PROD./COW
RECEIPTS:			
Fluid Milk	$3,034.	$2,501.	$2,061.
Industrial Milk	1,106.	963.	753.
Milk Subsidies	152.	133.	104.
Livestock Sales	380.	314.	222.
Crop Sales	60.	26.	20.
Miscellaneous Sales	356.	223.	159.
TOTAL CASH RECEIPTS	$5,087.	$4,161.	$3,318.
Adj. for Inventory Change	$ 25	$ (4.)	$ 35.
TOTAL FARM RECEIPTS	$5,112.	$4,156.	$3,353.
EXPENSES:			
Milk Hauling	$ 160.	$ 131.	$ 107.
Dairy Feed	835.	861.	682.
Livestock Purchases	53.	83.	33.
Vet and Drugs	68.	55.	44.
Breeding	69.	55.	36.
Dairy Supplies	137.	111.	98.
Milk Marketing	157.	148.	124.
Crop Expenses	298.	188.	164.
Building and Fence Repair	108.	84.	75.
Utilities	111.	88.	83.
Tractor and Machinery Repair	263.	212.	204.
Truck and Auto Expense	60.	59.	65.
Interest	515.	365.	313.
Hired Labour	426.	320.	314.
Taxes and Insurance	101.	86.	82.
Custom Work	151.	97.	66.
Rentals and Leases	41.	38.	36.
Miscellaneous	119.	90.	65.
TOTAL CASH EXPENSES	$3,669.	$3,071.	$2,592.

TABLE B.3.2 (CONT'D)

HIGH, MEDIUM AND LOW FARM PRODUCTION PER COW FARMS

PER COW ANALYSIS

ITEM		HIGH PROD./COW	MEDIUM PROD./COW	LOW PROD./COW
Building Depreciation		$ 132.	$ 112.	$ 76.
Machinery Depreciation		428.	338.	267.
TOTAL DEPRECIATION		$ 560.	$ 450.	$ 343.
TOTAL FARM EXPENSES		$4,228.	$3,522.	$2,935.
NET FARM INCOME		$ 884.	$ 634.	$ 418.
Total Farm Expense		$4,228.	$3,522.	$2,935.
Plus: Interest on Equity		443.	326.	227.
Unpaid Family Labour		30.	33.	62.
Operator Labour		316.	325.	292.
Less: Sales (Excl. Milk)		795.	563.	401.
NET COST OF PRODUCING MILK		$4,222.	$3,641.	$3,116.
Number of Farms	(#)	32	63	31
Number of Cows/Farm	(#)	57	67	60
Litres of Milk/Cow	(L)	7,657	6,419	5,205
Price of Milk/HL	($)	56.05	56.04	56.05
Cost of Producing Milk/HL	($)	55.13	56.73	59.86
NET RETURN/HL	($)	0.92	(0.69)	(3.82)
Feed Cost/HL Milk Sold	($)	10.90	13.41	13.11
Feed Cost as % of Total Costs	(%)	19.7	24.4	23.3
Feed Cost as % of Milk Sales	(%)	19.4	23.9	23.4
Kilograms of Feed/HL Milk Sold	(kgs)	36.9	51.6	48.8

SECTION B.4

INVESTMENT ANALYSIS

The level of capital investment in a business can be an important factor in determining the profitability of that business. In this section of the summary, farms are re-grouped into three (3) classifications as follows: (1) the high 25 percent Investment per Cow Farms, (2) the middle 50 percent Investment per Cow Farms, and (3) the low 25 percent Investment per Cow Farms.

Similiar assumptions regarding Operator and Family Labour and Return on Equity were used for this section as were made throughout this summary.

Table B.4.1 provides data on a per farm basis, while Table B.4.2 provides data on a per cow basis.

The information contained in the tables reveals that only the low investment per cow group received a return to all factors of production at the assumed levels.

Investment per cow averaged $5,232. for the Low Investment per Cow group, and $10,793. for the High Investment per Cow group.

All groups received a Return to Equity ranging from 12.0 percent for the High Investment per Cow group, to 24.3 percent for the Low Investment per Cow group.

Net Income as a percent of Gross Farm Income ranged from 15.5 percent for the High Investment per Cow group, to 14.7 percent for the Low Investment per Cow group.

TABLE B.4.1

HIGH, MEDIUM AND LOW INVESTMENT PER COW FARMS

PER FARM ANALYSIS

ITEM	HIGH INVEST./COW	MEDIUM INVEST./COW	LOW INVEST./COW
RECEIPTS:			
Fluid Milk	$154,557.	$170,083.	$139,427.
Industrial Milk	57,074.	63,346.	54,409.
Milk Subsidies	7,971.	8,645.	7,544.
Livestock Sales	16,941.	22,329.	15,817.
Crop Sales	2,758.	1,800.	1,797.
Miscellaneous Sales	17,056.	16,708.	9,447.
TOTAL CASH RECEIPTS	$256,358.	$282,910.	$228,440.
Adj. for Inventory Change	$ 4,053.	$ (301.)	$ (609.)
TOTAL FARM RECEIPTS	$260,410.	$282,609.	$227,831.
EXPENSES:			
Milk Hauling	$ 8,066.	$ 8,962.	$ 7,157.
Dairy Feed	47,022.	53,622.	50,319.
Livestock Purchases	3,540.	5,130.	2,443.
Vet and Drugs	3,033.	3,947.	3,025.
Breeding	3,151.	3,803.	2,783.
Dairy Supplies	6,936.	7,568.	6,609.
Milk Marketing	8,032.	9,909.	8,552.
Crop Expenses	13,088.	14,336.	10,439.
Building and Fence Repair	5,446.	6,060.	4,340.
Utilities	5,582.	6,194.	5,190.
Tractor and Machinery Repair	13,482.	14,488.	13,393.
Truck and Auto Expense	3,150.	4,386.	3,345.
Interest	29,742.	24,847.	17,898.
Hired Labour	18,451.	24,657.	18,547.
Taxes and Insurance	4,883.	6,168.	4,990.
Custom Work	7,223.	6,319.	5,830.
Rentals and Leases	2,070.	2,085.	3,425.
Miscellaneous	5,436.	6,809.	3,831.
TOTAL CASH EXPENSES	$188,333.	$209,291.	$172,117.

TABLE B.4.1. (CONT'D)

HIGH, MEDIUM AND LOW INVESTMENT PER COW FARMS

PER FARM ANALYSIS

ITEM		HIGH INVEST./COW	MEDIUM INVEST./COW	LOW INVEST./COW
Building Depreciation		$ 8,498.	$ 7,012.	$ 4,668.
Machinery Depreciation		23,155.	22,655.	17,526.
TOTAL DEPRECIATION		$ 31,653.	$ 29,667.	$ 22,194.
TOTAL FARM EXPENSES		$219,985.	$238,959.	$194,311.
NET FARM INCOME		$ 40,425.	$ 43,651.	$ 33,520.
Total Farm Expense		$219,985.	$238,959.	$194,311.
Plus: Interest on Equity		27,862.	22,388.	10,018.
Unpaid Family Labour		1,713.	3,130.	1,878.
Operator Labour		18,457.	20,476.	19,882.
Less: Sales (Excl. Milk)		36,756.	40,837.	27,060.
NET COST OF PRODUCING MILK		$231,262.	$244,117.	$199,028.
Number of Farms	(#)	32	63	31
Number of Cows/Farm	(#)	54	68	62
Litres of Milk/Farm	(L)	393,616	431,004	359,322
Price of Milk/HL	($)	55.79	56.16	56.04
Cost of Producing Milk/HL	($)	58.75	56.64	55.39
NET RETURN/HL	($)	(2.96)	(0.47)	0.65
Investment/Farm	($)	587,558	478,913	284,818
Liabilities/Farm	($)	308,934	255,030	184,640
Feed Cost/HL Milk Sold	($)	11.95	12.44	14.00
Equity in Business	(%)	47.4	46.7	35.2
Return on Equity	(%)	12.0	12.4	24.3
Return on Invested Capital	(%)	9.3	11.0	12.4
Net Income / Gross Income	(%)	15.5	15.4	14.7

TABLE B.4.2

HIGH, MEDIUM AND LOW INVESTMENT PER COW FARMS

PER COW ANALYSIS

ITEM	HIGH INVEST./COW	MEDIUM INVEST./COW	LOW INVEST./COW
RECEIPTS:			
Fluid Milk	$2,839.	$2,509.	$2,258.
Industrial Milk	1,048.	934.	881.
Milk Subsidies	146.	128.	122.
Livestock Sales	311.	329.	256.
Crop Sales	51.	27.	29.
Miscellaneous Sales	313.	246.	153.
TOTAL CASH RECEIPTS	$4,709.	$4,173.	$3,700.
Adj. for Inventory Change	$ 74	$ (4.)	$ (10.)
TOTAL FARM RECEIPTS	$4,784.	$4,169.	$3,690.
EXPENSES:			
Milk Hauling	$ 148.	$ 132.	$ 116.
Dairy Feed	864.	791.	815.
Livestock Purchases	65.	76.	40.
Vet and Drugs	56.	58.	49.
Breeding	58.	56.	45.
Dairy Supplies	127.	112.	107.
Milk Marketing	148.	146.	139.
Crop Expenses	240.	211.	169.
Building and Fence Repair	100.	89.	70.
Utilities	103.	91.	84.
Tractor and Machinery Repair	248.	214.	217.
Truck and Auto Expense	58.	65.	54.
Interest	546.	367.	290.
Hired Labour	339.	364.	300.
Taxes and Insurance	90.	91.	81.
Custom Work	133.	93.	94.
Rentals and Leases	38.	31.	55.
Miscellaneous	100.	100.	62.
TOTAL CASH EXPENSES	$3,460.	$3,087.	$2,788.

TABLE B.4.2 (CONT'D)

HIGH, MEDIUM AND LOW INVESTMENT PER COW FARMS

PER COW ANALYSIS

ITEM		HIGH INVEST./COW	MEDIUM INVEST./COW	LOW INVEST./COW
Building Depreciation		$ 156.	$ 103.	$ 76.
Machinery Depreciation		425.	334.	284.
TOTAL DEPRECIATION		$ 581.	$ 438.	$ 359.
TOTAL FARM EXPENSES		$4,041.	$3,525.	$3,147.
NET FARM INCOME		$ 743.	$ 644.	$ 543.
Total Farm Expense		$4,041.	$3,525.	$3,147.
Plus: Interest on Equity		512.	330.	162.
Unpaid Family Labour		31.	46.	30.
Operator Labour		339.	302.	322.
Less: Sales (Excl. Milk)		675.	602.	438.
NET COST OF PRODUCING MILK		$4,248.	$3,601.	$3,224.
Number of Farms	(#)	32	63	31
Number of Cows/Farm	(#)	54	68	62
Litres of Milk/Cow	(L)	7,231	6,358	5,820
Price of Milk/HL	($)	55.79	56.16	56.04
Cost of Producing Milk/HL	($)	58.75	56.64	55.39
NET RETURN/HL	($)	(2.96)	(0.47)	0.65
Investment/Cow	($)	10,793	8,797	5,232
Liabilities/Cow	($)	5,675	4,685	3,392
Feed Cost/HL Milk Sold	($)	11.95	12.44	14.00
Equity in Business	(%)	47.4	46.7	35.2
Return on Equity	(%)	12.0	12.4	24.3
Return on Invested Capital	(%)	9.3	11.0	12.4
Net Income / Gross Income	(%)	15.5	15.4	14.7

SECTION C

SUMMARY

The 1990 Nova Scotia Dairy Farm Business Summary provides basic information and statistics on the costs and returns associated with the dairy enterprise on Nova Scotia farms. While not based on a stastically sound random sample of dairy farms, the summary can be used, with care, to assist in the analysis of the dairy enterprise by providing group average data for comparison purposes.

Table C-1 provides a brief summary of a number of cost and profit ratios and management factors that are often used when analyzing a farm business. These ratios and management factors provide useful information about the financial and production strength of the farm business. In addition, weaknesses in the farm business can be pinpointed through an analysis of these ratios and management factors.

In reviewing these ratios and management factors, the following points are worthy of comment:

- A total of 126 farms were included in the summary.

- Capital Turnover Ratio is 1.74 years.

- Equity in the farm business varied widely from farm to farm, but averaged 45.2 percent for all farms.

- Return on Equity averaged 8.7 percent with significant variation among farms.

- Net Income to Gross Income varied widely, but averaged 15.3 percent.

- Production per cow averaged 6,420 litres of milk sold.

When farms were reclassified by various criteria (Net Farm Income, Production and Investment per cow), only the High Net Income per Cow, the High Production per Cow and the Low Investment per Cow groups received a return greater than all costs.

In compiling the data for this summary, extreme variation among farms was noted. The variation occurred in most factors, including returns, costs and management factors. Below, we list a number of examples of the variation observed.

- Net Farm Income had a range of $2,730. per cow between the highest and lowest net incomes on a per cow basis.

- Investment per cow had a range of $13,081. between the highest and lowest investments on a per cow basis.

- Production per cow varied 5,900 litres per cow between the highest and lowest production on a per cow basis.

With such wide variation in many of the costs, returns and management factors, it is difficult to isolate specific characteristics that result in a profitable dairy unit. It would appear, however, that a number of the key factors of production, such as Production per Cow, Efficient Use of Capital, Efficient Use of Labour and Cost Control are of significant importance in determining the success of the farm unit.

Those farm operators who successfully combine these factors of production in the management and operation of their business achieve a reasonable return to their Capital and Management.

TABLE C-1

COST AND PROFIT RATIOS

ITEM		20-39 COWS	40-59 COWS	60-99 COWS	100+ COWS	ALL FARMS
Number of Farms		27	46	39	14	126
Number of Cows per Farm		32	49	74	139	63
COST RATIOS:						
Variable Cost as % of Total Cost		56	58	59	63	59
Fixed Cost as % of Total Cost		27	26	25	19	24
Opportunity Cost as % of Total Cost		17	16	16	18	16
EARNING AND SOLVENCY RATIOS:						
Capital Turnover	(Yrs)	1.79	1.80	1.80	1.57	1.74
Farm Equity	(%)	33.30	34.92	45.97	63.65	45.20
Return on Equity	(%)	4.37	6.53	6.97	12.81	8.72
Current Ratio		2.81	1.27	2.17	3.10	1.98
Net Capital Ratio		1.50	1.54	1.85	2.75	1.82
Debt to Equity Ratio		2.00	1.86	1.18	0.57	1.21
Net Income/Gross Income	(%)	14.20	13.59	13.80	19.94	15.31
MANAGEMENT FACTORS:						
Cows/Man Equivalent	(#)	18	23	27	28	24
Milk Sold/Cow	(L)	6472	6451	6311	6521	6420
Milk Sold/Man Equivalent	(L)	114094	145262	171412	180315	152690
Purchased Feed/Cow	($)	884	834	764	829	813
Purchased Feed/Cow	(Kgs)	3053	3017	2753	3388	3016
Feed as % of Milk Sold	(%)	24.2	23.2	21.5	22.8	22.6
Feed as % of Total Costs	(%)	23.8	22.8	21.8	24.4	22.9
Feed/HL Milk Sold	(Kgs)	47.17	46.76	43.62	51.95	46.98
Feed Cost/HL Milk Sold	($)	13.66	12.92	12.10	12.72	12.66

APPENDIX A

SUMMARY HERD SIZE ANALYSIS

HERD SIZE 20-39 COWS: RECEIPTS AND EXPENSES SUMMARY

RECEIPTS:	PER FARM	PER COW
Fluid Milk Sales	$ 86,267.	$ 2,668.
Manufactured Milk Sales	28,180.	872.
Milk Subsidy	3,739.	116.
Livestock Sales	10,181.	315.
Crop Sales	1,048.	32.
Miscellaneous Sales	9,856.	305.
TOTAL FARM RECEIPTS	$ 139,271.	$ 4,307.
EXPENSES:		
Milk Hauling	$ 4,309.	$ 133.
Dairy Feed	28,576.	884.
Livestock Purchases	2,977.	92.
Vet & Drugs	2,106.	65.
Breeding	1,645.	51.
Dairy Supplies	3,644.	113.
Milk Marketing	5,172.	160.
Crop Expense	6,111.	189.
Building & Fence Repair	3,391.	105.
Utilities	3,465.	107.
Tractor & Machinery Expense	6,261.	194.
Truck & Auto	2,520.	78.
Interest	14,851.	459.
Hired Labour	7,483.	231.
Taxes & Insurance	3,502.	108.
Custom Work	4,874.	151.
Rentals & Leases	758.	23.
Miscellaneous	2,604.	81.
TOTAL CASH EXPENSES	$ 104,246.	$ 3,224.
NET CASH INCOME	$ 35,025.	$ 1,084.
Plus: Inventory Change	$ 904.	$ 28.
Less: Depreciation	16,024.	496.
NET FARM INCOME	$ 19,906.	$ 616.
Less: Unpaid Family Labour	$ 2,720.	$ 84.
Interest on Equity @ 10%	8,343.	258.
LABOUR AND MANAGEMENT INCOME	$ 8,843.	$ 274.

HERD SIZE 20-39 COWS: NET COST OF PRODUCTION

ITEM		PER FARM	PER COW
Total Cash Expenses		$ 104,246.	$ 3,224.
Plus: Depreciation		16,024.	496.
Inventory Change		(904.)	(28.)
Interest on Equity @ 10%		8,343.	258.
Unpaid Family Labour		2,720.	84.
Operator Labour		13,538.	419.
Less: Sales (Excl. Milk)		21,085.	652.
NET COST OF PRODUCING MILK		$ 122,882.	$ 3,800.
Number of Cows	(#)	32	1
Total Litres of Milk Sold	(L)	209,268	6,472
Price Received per HL	($)	56.48	56.48
Cost of Producing Milk/HL	($)	58.72	58.72
NET RETURN PER HL	($)	(2.24)	(2.24)

HERD SIZE 20-39 COWS: PRODUCTION ANALYSIS

ITEM		PER FARM	PER COW
Number of Cows	(#)	32	1
Total Litres of Milk Sold	(L)	209,268	6,472
Value of Milk Sold	($)	118,186	3,655
Price Received per HL Milk	($)	56.48	56.48
Fluid Milk (L's as % of Total Milk)	(%)	67.5	67.5
Fluid Milk ($'s as % of Total Milk)	($)	73.0	73.0
Cost of Dairy Feed	($)	28,576	884
Feed Cost per HL Milk Sold	($)	13.66	13.66
Feed Cost as % of Total Cost	(%)	23.8	23.8
Feed Cost as % of Milk Sales	(%)	24.2	24.2
Kilograms of Feed/HL Milk	(Kgs)	47.17	47.17
Kilograms of Feed	(Kgs)	97,701	3,053
Pounds of Feed	(Lbs)	214,942	6,717

HERD SIZE 20-39 COWS: BALANCE SHEET

ITEM	PER FARM	PER COW
ASSETS:		
Inventory Value - Land	$ 42,643.	$ 1,319.
" " - Buildings	40,358.	1,248.
" " - Machinery	45,831.	1,417.
" " - Livestock	40,368.	1,248.
" " - Crops & Supp	9,227.	285.
" " - Milk Quota	54,905.	1,698.
" " - Acct's Rec'able	808.	25.
" " - Co-op Dairy Inv.	16,376.	506.
TOTAL INVENTORY VALUE - ASSETS	$ 250,517.	$ 7,748.
LIABILITIES:		
Short Term	$ 6,455.	$ 200.
Intermediate Term	33,073.	1,023.
Long Term	127,560.	3,945.
TOTAL LIABILITIES	$ 167,088.	$ 5,168.
EQUITY OR NET WORTH	$ 83,429.	$ 2,580.

HERD SIZE 20-39 COWS: BALANCE SHEET ANALYSIS

ITEM		PER FARM
Equity in Farm Business	(%)	33.30
Return on Equity	(%)	4.37
Return on Invested Capital	(%)	7.38
Capital Turnover	(Yrs)	1.79
Current Assets/Current Liabilities	($)	10.35
Total Assets/Total Liabilities	($)	1.50
Total Liabilities/Equity	($)	2.00
Net Income/Gross Income	(%)	14.20

HERD SIZE 20-39 COWS: LABOUR ANALYSIS

ITEM		PER FARM
Number of Cows	(#)	32
Operator & Family Man Equivalents	(#)	1.32
Hired Man Equivalents	(#)	.52
Total Man Equivalents	(#)	1.83
Cows per Man Equivalent	(#)	18
Milk Sold per Man Equilivent	(L)	114,094
Milk Sold per Man Equivalent	($)	64,436
Labour Income Per Man Equivalent Operator & Unpaid Family	($)	8,775

HERD SIZE 20-39 COWS: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER COW	PER 100 LITRES	PER CWT.
RECEIPTS:			
Fluid Milk	$ 2,668.	$ 41.22	$ 18.16
Manufactured Milk	872.	13.47	5.93
Milk Subsidies	116.	1.79	.79
Livestock Sales	315.	4.87	2.14
Crop Sales	32.	.50	.22
Miscellaneous Sales	305.	4.71	2.07
TOTAL CASH RECEIPTS	$ 4,307.	$ 66.55	$ 29.32
Adj. for Inventory Change	$ 28.	$ .43	$ .19
TOTAL FARM RECEIPTS	$ 4,335.	$ 66.98	$ 29.51
EXPENSES:			
Milk Hauling	$ 133.	$ 2.06	$ .91
Dairy Feed	884.	13.66	6.02
Livestock Purchases	92.	1.42	.63
Vet & Drugs	65.	1.01	.44
Breeding	51.	.79	.35
Dairy Supplies	113.	1.74	.77
Milk Marketing	160.	2.47	1.09
Crop Expenses	189.	2.92	1.29
Building & Fence Repair	105.	1.62	.71
Utilities	107.	1.66	.73
Tractor & Machinery Repair	194.	2.99	1.32
Truck & Auto Expense	78.	1.20	.53
Interest	459.	7.10	3.13
Hired Labour	231.	3.58	1.58
Taxes & Insurance	108.	1.67	.74
Custom Work	151.	2.33	1.03
Rentals & Leases	23.	.36	.16
Miscellaneous	81.	1.24	.55
TOTAL CASH EXPENSES	$ 3,224.	$ 49.81	$ 21.94
Building Depreciation	$ 105.	$ 1.63	$ .72
Machinery Depreciation	390.	6.03	2.66
TOTAL DEPRECIATION	$ 496.	$ 7.66	$ 3.37
TOTAL FARM EXPENSES	$ 3,720.	$ 57.47	$ 25.32
NET FARM INCOME	$ 616.	$ 9.51	$ 4.19

HERD SIZE 40-59 COWS: RECEIPTS AND EXPENSES SUMMARY

RECEIPTS:	PER FARM	PER COW
Fluid Milk Sales	$ 122,951.	$ 2,522.
Manufactured Milk Sales	46,050.	944.
Milk Subsidy	6,378.	131.
Livestock Sales	15,588.	320.
Crop Sales	1,681.	34.
Miscellaneous Sales	12,543.	257.
TOTAL FARM RECEIPTS	$ 205,192.	$ 4,208.
EXPENSES:		
Milk Hauling	$ 6,662.	$ 137.
Dairy Feed	40,642.	834.
Livestock Purchases	3,398.	70.
Vet & Drugs	3,008.	62.
Breeding	2,804.	58.
Dairy Supplies	6,327.	130.
Milk Marketing	6,935.	142.
Crop Expense	9,983.	205.
Building & Fence Repair	4,709.	97.
Utilities	4,791.	98.
Tractor & Machinery Expense	10,219.	210.
Truck & Auto	3,407.	70.
Interest	23,025.	472.
Hired Labour	14,295.	293.
Taxes & Insurance	4,411.	90.
Custom Work	5,897.	121.
Rentals & Leases	1,546.	32.
Miscellaneous	4,600.	94.
TOTAL CASH EXPENSES	$ 156,660.	$ 3,213.
NET CASH INCOME	$ 48,532.	$ 996.
Plus: Inventory Change	$ 1,017.	$ 21.
Less: Depreciation	21,532.	442.
NET FARM INCOME	$ 28,017.	$ 575.
Less: Unpaid Family Labour	$ 2,199.	$ 45.
Interest on Equity @ 10%	12,952.	266.
LABOUR AND MANAGEMENT INCOME	$ 12,866.	$ 264.

HERD SIZE 40-59 COWS: NET COST OF PRODUCTION

ITEM		PER FARM	PER COW
Total Cash Expenses		$ 156,660.	$ 3,213.
Plus: Depreciation		21,532.	442.
Inventory Change		(1,017.)	(21.)
Interest on Equity @ 10%		12,952.	266.
Unpaid Family Labour		2,199.	45.
Operator Labour		17,362.	356.
Less: Sales (Excl. Milk)		29,812.	611.
NET COST OF PRODUCING MILK		$ 179,876.	$ 3,689.
Number of Cows	(#)	49	1
Total Litres of Milk Sold	(L)	314,546	6,451
Price Received per HL	($)	55.76	55.76
Cost of Producing Milk/HL	($)	57.19	57.19
NET RETURN PER HL	($)	(1.43)	(1.43)

HERD SIZE 40-59 COWS: PRODUCTION ANALYSIS

ITEM		PER FARM	PER COW
Number of Cows	(#)	49	1
Total Litres of Milk Sold	(L)	314,546	6,451
Value of Milk Sold	($)	175,380	3,597
Price Received per HL Milk	($)	55.76	55.76
Fluid Milk (L's as % of Total Milk)	(%)	64.6	64.6
Fluid Milk ($'s as % of Total Milk)	($)	70.1	70.1
Cost of Dairy Feed	($)	40,642	834
Feed Cost per HL Milk Sold	($)	12.92	12.92
Feed Cost as % of Total Cost	(%)	22.8	22.8
Feed Cost as % of Milk Sales	(%)	23.2	23.2
Kilograms of Feed/HL Milk	(Kgs)	46.76	46.76
Kilograms of Feed	(Kgs)	144,801	3,017
Pounds of Feed	(Lbs)	318,563	6,637

HERD SIZE 40-59 COWS: BALANCE SHEET

ITEM	PER FARM	PER COW
ASSETS:		
Inventory Value - Land	$ 52,222.	$ 1,071.
" " - Buildings	65,415.	1,342.
" " - Machinery	70,343.	1,443.
" " - Livestock	72,638.	1,490.
" " - Crops & Supp	17,309.	355.
" " - Milk Quota	58,374.	1,197.
" " - Acct's Rec'able	3,271.	67.
" " - Co-op Dairy Inv.	31,334.	643.
TOTAL INVENTORY VALUE - ASSETS	$ 370,905.	$ 7,607.
LIABILITIES:		
Short Term	$ 27,560.	$ 565.
Intermediate Term	39,488.	810.
Long Term	174,341.	3,575.
TOTAL LIABILITIES	$ 241,389.	$ 4,950.
EQUITY OR NET WORTH	$ 129,516.	$ 2,656.

HERD SIZE 40-59 COWS: BALANCE SHEET ANALYSIS

ITEM		PER FARM
Equity in Farm Business	(%)	34.92
Return on Equity	(%)	6.53
Return on Invested Capital	(%)	8.49
Capital Turnover	(Yrs)	1.80
Current Assets/Current Liabilities	($)	4.52
Total Assets/Total Liabilities	($)	1.54
Total Liabilities/Equity	($)	1.86
Net Income/Gross Income	(%)	13.59

HERD SIZE 40-59 COWS: LABOUR ANALYSIS

ITEM		PER FARM
Number of Cows	(#)	49
Operator & Family Man Equivalents	(#)	1.36
Hired Man Equivalents	(#)	.81
Total Man Equivalents	(#)	2.17
Cows per Man Equivalent	(#)	23
Milk Sold per Man Equilivent	(L)	145,262
Milk Sold per Man Equivalent	($)	80,993
Labour Income Per Man Equivalent Operator & Unpaid Family	($)	11,077

HERD SIZE 40-59 COWS: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER COW	PER 100 LITRES	PER CWT.
RECEIPTS:			
Fluid Milk	$ 2,522.	$ 39.09	$ 17.22
Manufactured Milk	944.	14.64	6.45
Milk Subsidies	131.	2.03	.89
Livestock Sales	320.	4.96	2.18
Crop Sales	34.	.53	.24
Miscellaneous Sales	257.	3.99	1.76
TOTAL CASH RECEIPTS	$ 4,208.	$ 65.23	$ 28.74
Adj. for Inventory Change	$ 21.	$ .32	$ .14
TOTAL FARM RECEIPTS	$ 4,229.	$ 65.56	$ 28.88
EXPENSES:			
Milk Hauling	$ 137.	$ 2.12	$ .93
Dairy Feed	834.	12.92	5.69
Livestock Purchases	70.	1.08	.48
Vet & Drugs	62.	.96	.42
Breeding	58.	.89	.39
Dairy Supplies	130.	2.01	.89
Milk Marketing	142.	2.20	.97
Crop Expenses	205.	3.17	1.40
Building & Fence Repair	97.	1.50	.66
Utilities	98.	1.52	.67
Tractor & Machinery Repair	210.	3.25	1.43
Truck & Auto Expense	70.	1.08	.48
Interest	472.	7.32	3.22
Hired Labour	293.	4.54	2.00
Taxes & Insurance	90.	1.40	.62
Custom Work	121.	1.87	.83
Rentals & Leases	32.	.49	.22
Miscellaneous	94.	1.46	.64
TOTAL CASH EXPENSES	$ 3,213.	$ 49.80	$ 21.94
Building Depreciation	$ 105.	$ 1.63	$ .72
Machinery Depreciation	337.	5.22	2.30
TOTAL DEPRECIATION	$ 442.	$ 6.85	$ 3.02
TOTAL FARM EXPENSES	$ 3,654.	$ 56.65	$ 24.96
NET FARM INCOME	$ 575.	$ 8.91	$ 3.92

HERD SIZE 60-99 COWS: RECEIPTS AND EXPENSES SUMMARY

RECEIPTS:	PER FARM	PER COW
Fluid Milk Sales	$ 188,814.	$ 2,566.
Manufactured Milk Sales	64,060.	870.
Milk Subsidy	9,009.	122.
Livestock Sales	21,947.	298.
Crop Sales	2,744.	37.
Miscellaneous Sales	12,401.	169.
TOTAL FARM RECEIPTS	$ 298,975.	$ 4,063.
EXPENSES:		
Milk Hauling	$ 9,324.	$ 127.
Dairy Feed	56,202.	764.
Livestock Purchases	4,313.	59.
Vet & Drugs	3,979.	54.
Breeding	3,696.	50.
Dairy Supplies	8,829.	120.
Milk Marketing	9,592.	130.
Crop Expense	15,590.	212.
Building & Fence Repair	6,728.	91.
Utilities	6,490.	88.
Tractor & Machinery Expense	17,105.	232.
Truck & Auto	3,989.	54.
Interest	29,949.	407.
Hired Labour	26,283.	357.
Taxes & Insurance	6,633.	90.
Custom Work	6,609.	90.
Rentals & Leases	3,519.	48.
Miscellaneous	5,212.	71.
TOTAL CASH EXPENSES	$224,044.	$ 3,044.
NET CASH INCOME	$ 74,931.	$ 1,019.
Plus: Inventory Change	$ 668.	$ 9.
Less: Depreciation	34,242.	465.
NET FARM INCOME	$ 41,358.	$ 562.
Less: Unpaid Family Labour	$ 2,410.	$ 33.
Interest on Equity @ 10%	24,750.	336.
LABOUR AND MANAGEMENT INCOME	$ 14,197.	$ 193.

HERD SIZE 60-99 COWS: NET COST OF PRODUCTION

ITEM		PER FARM	PER COW
Total Cash Expenses		$ 224,044.	$ 3,044.
Plus: Depreciation		34,242.	465.
Inventory Change		(668.)	(9.)
Interest on Equity @ 10%		24,750.	336.
Unpaid Family Labour		2,410.	33.
Operator Labour		21,707.	295.
Less: Sales (Excl. Milk)		37,092.	504.
NET COST OF PRODUCING MILK		$ 269,393.	$ 3,661.
Number of Cows	(#)	74	1
Total Litres of Milk Sold	(L)	464,416	6,311
Price Received per HL	($)	56.39	56.39
Cost of Producing Milk/HL	($)	58.01	58.01
NET RETURN PER HL	($)	(1.62)	(1.62)

HERD SIZE 60-99 COWS: PRODUCTION ANALYSIS

ITEM		PER FARM	PER COW
Number of Cows	(#)	74	1
Total Litres of Milk Sold	(L)	464,416	6,311
Value of Milk Sold	($)	261,883	3,559
Price Received per HL Milk	($)	56.39	56.39
Fluid Milk (L's as % of Total Milk)	(%)	67.0	67.0
Fluid Milk ($'s as % of Total Milk)	($)	72.1	72.1
Cost of Dairy Feed	($)	56,202	764
Feed Cost per HL Milk Sold	($)	12.10	12.10
Feed Cost as % of Total Cost	(%)	21.8	21.8
Feed Cost as % of Milk Sales	(%)	21.5	21.5
Kilograms of Feed/HL Milk	(Kgs)	43.62	43.62
Kilograms of Feed	(Kgs)	200,933	2,753
Pounds of Feed	(Lbs)	442,053	6,056

HERD SIZE 60-99 COWS: BALANCE SHEET

ITEM	PER FARM	PER COW
ASSETS:		
Inventory Value - Land	$ 75,031.	$ 1,020.
" " - Buildings	80,036.	1,088.
" " - Machinery	95,994.	1,304.
" " - Livestock	110,549.	1,502.
" " - Crops & Supp	28,771.	391.
" " - Milk Quota	110,498.	1,502.
" " - Acct's Rec'able	2,169.	29.
" " - Co-op Dairy Inv.	35,305.	480.
TOTAL INVENTORY VALUE - ASSETS	$ 538,352.	$ 7,316.
LIABILITIES:		
Short Term	$ 24,446.	$ 332.
Intermediate Term	65,631.	892.
Long Term	200,770.	2,728.
TOTAL LIABILITIES	$ 290,848.	$ 3,952.
EQUITY OR NET WORTH	$ 247,504.	$ 3,363.

HERD SIZE 60-99 COWS: BALANCE SHEET ANALYSIS

ITEM		PER FARM
Equity in Farm Business	(%)	45.97
Return on Equity	(%)	6.97
Return on Invested Capital	(%)	8.77
Capital Turnover	(Yrs)	1.80
Current Assets/Current Liabilities	($)	7.23
Total Assets/Total Liabilities	($)	1.85
Total Liabilities/Equity	($)	1.18
Net Income/Gross Income	(%)	13.80

HERD SIZE 60-99 COWS: LABOUR ANALYSIS

ITEM		PER FARM
Number of Cows	(#)	74
Operator & Family Man Equivalents	(#)	1.46
Hired Man Equivalents	(#)	1.25
Total Man Equivalents	(#)	2.71
Cows per Man Equivalent	(#)	27
Milk Sold per Man Equilivent	(L)	171,412
Milk Sold per Man Equivalent	($)	96,658
Labour Income Per Man Equivalent Operator & Unpaid Family	($)	11,395

HERD SIZE 60-99 COWS: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER COW	PER 100 LITRES	PER CWT.
RECEIPTS:			
Fluid Milk	$ 2,566.	$ 40.66	$ 17.91
Manufactured Milk	870.	13.79	6.08
Milk Subsidies	122.	1.94	.85
Livestock Sales	298.	4.73	2.08
Crop Sales	37.	.59	.26
Miscellaneous Sales	169.	2.67	1.18
TOTAL CASH RECEIPTS	$ 4,063.	$ 64.38	$ 28.36
Adj. for Inventory Change	$ 9.	$ .14	$ .06
TOTAL FARM RECEIPTS	$ 4,072.	$ 64.52	$ 28.42
EXPENSES:			
Milk Hauling	$ 127.	$ 2.01	$ .88
Dairy Feed	764.	12.10	5.33
Livestock Purchases	59.	.93	.41
Vet & Drugs	54.	.86	.38
Breeding	50.	.80	.35
Dairy Supplies	120.	1.90	.84
Milk Marketing	130.	2.07	.91
Crop Expenses	212.	3.36	1.48
Building & Fence Repair	91.	1.45	.64
Utilities	88.	1.40	.62
Tractor & Machinery Repair	232.	3.68	1.62
Truck & Auto Expense	54.	.86	.38
Interest	407.	6.45	2.84
Hired Labour	357.	5.66	2.49
Taxes & Insurance	90.	1.43	.63
Custom Work	90.	1.42	.63
Rentals & Leases	48.	.76	.33
Miscellaneous	71.	1.12	.49
TOTAL CASH EXPENSES	$ 3,044.	$ 48.24	$ 21.25
Building Depreciation	$ 108.	$ 1.70	$ .75
Machinery Depreciation	358.	5.67	2.50
TOTAL DEPRECIATION	$ 465.	$ 7.37	$ 3.25
TOTAL FARM EXPENSES	$ 3,510.	$ 55.62	$ 24.50
NET FARM INCOME	$ 562.	$ 8.91	$ 3.92

HERD SIZE 100 PLUS COWS: RECEIPTS AND EXPENSES SUMMARY

RECEIPTS:	PER FARM	PER COW
Fluid Milk Sales	$ 331,040.	$ 2,388.
Manufactured Milk Sales	151,881.	1,095.
Milk Subsidy	20,559.	148.
Livestock Sales	42,235.	305.
Crop Sales	3,197.	23.
Miscellaneous Sales	40,320.	291.
TOTAL FARM RECEIPTS	$ 589,231.	$ 4,250.
EXPENSES:	**PER FARM**	**PER COW**
Milk Hauling	$ 18,441.	$ 133.
Dairy Feed	114,988.	829.
Livestock Purchases	7,665.	55.
Vet & Drugs	6,367.	46.
Breeding	7,800.	56.
Dairy Supplies	12,131.	87.
Milk Marketing	22,401.	162.
Crop Expense	29,527.	213.
Building & Fence Repair	8,574.	62.
Utilities	11,620.	84.
Tractor & Machinery Expense	32,367.	233.
Truck & Auto	7,177.	52.
Interest	31,700.	229.
Hired Labour	59,583.	430.
Taxes & Insurance	10,242.	74.
Custom Work	10,668.	77.
Rentals & Leases	5,354.	39.
Miscellaneous	16,894.	122.
TOTAL CASH EXPENSES	$ 413,498.	$ 2,982.
NET CASH INCOME	$ 175,733.	$ 1,268.
Plus: Inventory Change	$ (385.)	$ (3.)
Less: Depreciation	57,956.	418.
NET FARM INCOME	$ 117,393.	$ 847.
Less: Unpaid Family Labour	$ 2,912.	$ 21.
Interest on Equity @10%	59,022.	426.
LABOUR AND MANAGEMENT INCOME	$ 55,459.	$ 400.

HERD SIZE 100 PLUS COWS: NET COST OF PRODUCTION

ITEM		PER FARM	PER COW
Total Cash Expenses		$ 413,498.	$ 2,982.
Plus: Depreciation		57,956.	418.
Inventory Change		385.	3.
Interest on Equity @ 10%		59,022.	426.
Unpaid Family Labour		2,912.	21.
Operator Labour		38,897.	281.
Less: Sales (Excl. Milk)		85,752.	619.
NET COST OF PRODUCING MILK		$ 486,917.	$ 3,512.
Number of Cows	(#)	139	1
Total Litres of Milk Sold	(L)	904,022	6,521
Price Received per HL	($)	55.69	55.69
Cost of Producing Milk/HL	($)	53.86	53.86
NET RETURN PER HL	($)	1.83	1.83

HERD SIZE 100 PLUS COWS: PRODUCTION ANALYSIS

ITEM		PER FARM	PER COW
Number of Cows	(#)	139	1
Total Litres of Milk Sold	(L)	904,022	6,521
Value of Milk Sold	($)	503,479	3,631
Price Received per HL Milk	($)	55.69	55.69
Fluid Milk (L's as % of Total Milk)	(%)	60.7	60.7
Fluid Milk ($'s as % of Total Milk)	($)	65.8	65.8
Cost of Dairy Feed	($)	114,988	829
Feed Cost per HL Milk Sold	($)	12.72	12.72
Feed Cost as % of Total Cost	(%)	24.4	24.4
Feed Cost as % of Milk Sales	(%)	22.8	22.8
Kilograms of Feed/HL Milk	(Kgs)	51.95	51.95
Kilograms of Feed	(Kgs)	467,497	3,388
Pounds of Feed	(Lbs)	1028,494	7,453

HERD SIZE 100 PLUS COWS: BALANCE SHEET

ITEM	PER FARM	PER COW
ASSETS:		
Inventory Value - Land	$ 120,031.	$ 866.
" " - Buildings	157,072.	1,133.
" " - Machinery	167,334.	1,207.
" " - Livestock	210,532.	1,519.
" " - Crops & Supp	52,866.	381.
" " - Milk Quota	111,284.	803.
" " - Acct's Rec'able	15,435.	111.
" " - Co-op Dairy Inv.	92,691.	669.
TOTAL INVENTORY VALUE - ASSETS	$ 927,243.	$ 6,688.
LIABILITIES:		
Short Term	$ 35,572.	$ 257.
Intermediate Term	101,103.	729.
Long Term	200,347.	1,445.
TOTAL LIABILITIES	$ 337,022.	$ 2,431.
EQUITY OR NET WORTH	$ 590,221.	$ 4,257.

HERD SIZE 100 PLUS COWS: BALANCE SHEET ANALYSIS

ITEM		PER FARM
Equity in Farm Business	(%)	63.65
Return on Equity	(%)	12.81
Return on Invested Capital	(%)	11.57
Capital Turnover	(Yrs)	1.57
Current Assets/Current Liabilities	($)	10.44
Total Assets/Total Liabilities	($)	2.75
Total Liabilities/Equity	($)	.57
Net Income/Gross Income	(%)	19.94

HERD SIZE 100 PLUS COWS: LABOUR ANALYSIS

ITEM		PER FARM
Number of Cows	(#)	139
Operator & Family Man Equivalents	(#)	2.20
Hired Man Equivalents	(#)	2.81
Total Man Equivalents	(#)	5.01
Cows per Man Equivalent	(#)	28
Milk Sold per Man Equilivent	(L)	180,315
Milk Sold per Man Equivalent	($)	100,423
Labour Income Per Man Equivalent Operator & Unpaid Family	($)	26,489

HERD SIZE 100 PLUS COWS: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER COW	PER 100 LITRES	PER CWT.
RECEIPTS:			
Fluid Milk	$ 2,388.	$ 36.62	$ 16.13
Manufactured Milk	1,095.	16.80	7.40
Milk Subsidies	148.	2.27	1.00
Livestock Sales	305.	4.67	2.06
Crop Sales	23.	.35	.16
Miscellaneous Sales	291.	4.46	1.96
TOTAL CASH RECEIPTS	$ 4,250.	$ 65.18	$ 28.71
Adj. for Inventory Change	$ (3.)	$ (0.04)	$ (0.02)
TOTAL FARM RECEIPTS	$ 4,247.	$ 65.14	$ 28.69
EXPENSES:			
Milk Hauling	$ 133.	$ 2.04	$ .90
Dairy Feed	829.	12.72	5.60
Livestock Purchases	55.	.85	.37
Vet & Drugs	46.	.70	.31
Breeding	56.	.86	.38
Dairy Supplies	87.	1.34	.59
Milk Marketing	162.	2.48	1.09
Crop Expenses	213.	3.27	1.44
Building & Fence Repair	62.	.95	.42
Utilities	84.	1.29	.57
Tractor & Machinery Repair	233.	3.58	1.58
Truck & Auto Expense	52.	.79	.35
Interest	229.	3.51	1.54
Hired Labour	430.	6.59	2.90
Taxes & Insurance	74.	1.13	.50
Custom Work	77.	1.18	.52
Rentals & Leases	39.	.59	.26
Miscellaneous	122.	1.87	.82
TOTAL CASH EXPENSES	$ 2,982.	$ 45.74	$ 20.15
Building Depreciation	$ 115.	$ 1.76	$ .78
Machinery Depreciation	303.	4.65	2.05
TOTAL DEPRECIATION	$ 418.	$ 6.41	$ 2.82
TOTAL FARM EXPENSES	$ 3,400.	$ 52.15	$ 22.97
NET FARM INCOME	$ 847.	$ 12.99	$ 5.72

APPENDIX B

RECEIPTS AND EXPENSES SUMMARY

The Tables in Appendix B outline Per Farm, Per Cow, Per Hectolitre, Per Hundredweight and Percentage figures for all farms combined in the summary.

RECEIPTS AND EXPENSES SUMMARY

ITEM	PER FARM	PER COW
RECEIPTS:		
Fluid Milk	$158,597.	$2,521.
Industrial Milk	59,554.	947.
Milk Subsidies	8,203.	130.
Livestock Sales	19,358.	308.
Crop Sales	2,043.	32.
Miscellaneous Sales	15,010.	239.
TOTAL CASH RECEIPTS	$262,765.	$4,177.
Adj. for Inventory Change	$ 729.	$ 12.
TOTAL FARM RECEIPTS	$263,494.	$4,189.
EXPENSES:		
Milk Hauling	$ 8,290.	$ 132.
Dairy Feed	51,133.	813.
Livestock Purchases	4,065.	65.
Vet and Drugs	3,488.	55.
Breeding	3,387.	54.
Dairy Supplies	7,171.	114.
Milk Marketing	9,098.	145.
Crop Expenses	13,060.	208.
Building and Fence Repair	5,481.	87.
Utilities	5,791.	92.
Tractor and Machinery Repair	13,963.	222.
Truck and Auto Expense	3,816.	61.
Interest	24,381.	388.
Hired Labour	21,578.	343.
Taxes and Insurance	5,552.	88.
Custom Work	6,429.	102.
Rentals and Leases	2,411.	38.
Miscellaneous	5,728.	91.
TOTAL CASH EXPENSES	$194,823.	$3,097.
Building Depreciation	$ 6,813.	$ 108.
Machinery Depreciation	21,520.	342.
TOTAL DEPRECIATION	$ 28,333.	$ 450.
TOTAL FARM EXPENSES	$223,156.	$3,547.
NET FARM INCOME	$ 40,339.	$ 641.

RECEIPTS AND EXPENSES SUMMARY

PER 100 LITRES	PER CWT	PERCENTAGE
$39.27	$17.30	60.2
14.75	6.50	22.6
2.03	0.89	3.1
4.79	2.11	7.3
0.51	0.22	0.8
3.72	1.64	5.7
$65.06	$28.66	99.7
$ 0.18	$ 0.08	0.3
$65.24	$28.74	100.0
$ 2.05	$ 0.90	3.7
12.66	5.58	22.9
1.01	0.44	1.8
0.86	0.38	1.6
0.84	0.37	1.5
1.78	0.78	3.2
2.25	0.99	4.1
3.23	1.42	5.9
1.36	0.60	2.5
1.43	0.63	2.6
3.46	1.52	6.3
0.94	0.42	1.7
6.04	2.66	10.9
5.34	2.35	9.7
1.37	0.61	2.5
1.59	0.70	2.9
0.60	0.26	1.1
1.42	0.62	2.6
$48.24	$21.25	87.3
$ 1.69	$ 0.74	3.0
5.33	2.35	9.7
$ 7.02	$ 3.09	12.7
$55.25	$24.34	100.0
$ 9.99	$ 4.40	0.0

APPENDIX C

GLOSSARY OF TERMS

APPENDIX C: GLOSSARY OF TERMS

ASSETS - All items of value owned by the farm business.

CAPITAL TURNOVER - The length of time, measured in years, that is required to generate sufficient income to equal total capital invested in the farm business. The ratio is Total Capital Invested divided by Total or Gross Farm Income.

CASH EXPENSES - The sum of all cash expenses expended by the farm business during the year. This includes such items as feed, livestock purchased, hired labour, interest and marketing costs.

DEPRECIATION - This is an amount which represents the loss in value of an asset over a certain period of time due to the number of years of remaining life, the amount of use and obsolescence. In this summary, tax depreciation rates are used.

EQUITY - This is the difference between the value of the assets and liabilities and represents the value of assets that would remain if all debts were paid off. Further it represents the capital contribution to the business by the owner.

FARM RECEIPTS - The sum of all cash receipts received by the business during the year. This includes such items as fluid milk sales, livestock sales and miscellaneous sales.

INTERMEDIATE TERM LIABILITIES - This is debt owed by the business to others with a usual term of from 1 to 10 years.

INVENTORY ADJUSTMENT - This represents an increase or decrease in the value of inventory (livestock, crops, supplies) held by the farm to earn income.

LABOUR AND MANAGEMENT INCOME - This term represents Net Farm Income with an Adjustment made for unpaid family labour and interest on equity. It represents a return to the operator for his labour and management skills after all other costs have been deducted.

LIABILITIES - Debts owed by the business to others.

LONG TERM LIABILITIES - Debts of greater term than 10 years.

MAN EQUIVALENTS - Total number of months of labour including operator, hired and unpaid family labour divided by 12 to reduce the total labour force to the equivalent of the number of men employed on a yearly basis.

NET FARM INCOME - Total Farm Income minus Total Farm Expenses. This represents the return to the farm, the operator and family for labour, management and capital.

RETURN TO EQUITY - This represents the return to the owners capital after adjustments have been made for operator and family labour. The calculation is:

(Net Farm Income - Operator and Family Labour) multiplied by 100 and divided by the Equity

RETURN TO INVESTED (TOTAL) CAPITAL - This represents the rate of return achieved by the total capital invested in the farm business. The calculation is: (Net Farm Income + Interest Paid - Operator and Family Labour)*100 divided by Total Capital Investment (Total Assets)

SHORT TERM LIABILITIES - Debts owed by the business that have a term of less than one (1) year. Short term may also be called Current.